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AND

INTERNATIONAL BIMETALLISM.

BY

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INTERNATIONAL ARBITRATION.

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BEFORE this day's doings had become a part of our social history, my obligations to the Massachusetts Club were too great for full recognition on my part. On several former occasions I have sought to convey to you some evidence of my appreciation of your signal kindness, many times exhibited, and in many ways. I pass on today to the topic which we have in mind without further attempt to set forth my sense of the additional obligation which you now lay upon me.

Our secretary, Mr. Blanchard, with a kindness of nature which, at times, threatens to overmaster his judgment, has mentioned my name in the invitations that were sent to the members of the club. This mention appears to have been due to the circumstance that within the last ten days I have stepped into my eightieth year. In this there is neither merit nor blame. None of us have more than an alternative. We must grow old or die. Most of us prefer age to death. However barren and gloomy age may appear to the young, it is not destitute of charms and pleasures.

At the Phi Beta Kappa dinner at Cambridge in the year 1861, Mr. Quincy, who had been the first mayor of the city of Boston, and who, afterward, was President of Harvard College, controverted the teachings of Solomon and Cicero in regard to the evils and miseries of old age, and asserted that neither of those teachers had had any experience of the period of life that he denounced.

Old age is not free from discomforts, neither is youth nor middle age, but in every period there are charms and pleasures, and it is the part of wisdom to accept with gratitude, in age as in youth, those opportunities for enjoyment

which we may be able to command. In this presence and today I gather in pleasures which were not within my reach at the middle period of my life.

It is not to be assumed, however, that this meeting of the club has been called for personal purposes, or for the special gratification of any one. We are to engage in the exercise of a high privilege of citizenship — the examination of a proposed measure of public policy which concerns directly the United States and Great Britain, and which may aid in turning the thoughts and conduct of mankind from war and the evils of war, to peace and the more acceptable triumphs that are sure to come from a condition of universal peace.

I have no means for an estimate of the losses of life in war since the opening of the Christian era, but it is safe to speak of hundreds of millions, and not a small part merely of this sacrifice was made in the prosecution of religious wars.

Less important, but yet worthy of notice, are the burdens of taxation that have been laid upon the people, and the debts that have been created and which yet rest upon the nations.

England has not passed out from the pressure of the debt created by the Napoleonic wars, and the continental nations, from Spain to Russia, are menaced by insolvency and repudiation.

The war of the rebellion has left upon the United States an annual charge which, in the year 1897, is about $200,000,000, and we are indulging in large expenditures which can have neither meaning nor value except as preparations for fresh wars in the near future.

A public policy which diminishes the chances of war among the nations is a wise public policy. As much as this has been accomplished already by abitration. The war of the rebellion left to the country the inheritance of the claim against England for the losses caused by the depredations of the Alabama and her sister ships upon the commerce of the United States. The treaty of 1871 between the United States and Great Britain, negotiated on our part by Mr.

Fish, whose name and services deserve more consideration than they have received from the country, ended all thought of war — a thought that had disturbed the public mind for more than five years.

At the same time the controversy over the fisheries on our northeastern coast, and the jurisdiction of the island of San Juan on our northwestern coast, were adjusted by arbitration. Criticism on our part was limited to one of the three judgments that were rendered — the amount of the award for the freedom of the fisheries.

Can there be any doubt that the adjustment of the three questions was a gain — an appreciable gain to both countries — and that without considering the justice of the judgments that were rendered?

Since the treaty of Ghent, in 1814, now more than eighty years away, the United States has not been a sufferer either through diplomatic adjustments of differences nor by arbitration, except in a single instance, and then not through the greed or power of England. In 1846 the administration of President Polk surrendered the territory of Oregon north of the 49th parallel of latitude.

This surrender was due to the domination of slave-holders in the affairs of the country. Unoccupied territory in the north meant more and more free states, more and more anti-slavery votes in the Congress of the United States. Hence the surrender of northern territory was in the line of the public policy of the country.

The settlement of international differences by arbitration is the contribution — the great contribution of the last half of the nineteenth century — to the welfare of mankind. It is true that in that period there have been several great wars in the Western world, and it is also true that the public opinion of nations and the policy of statesmen were not so advanced as to check the warlike tendency of the people and to curb the ambitions of leaders.

In the case of the Franco-Prussian controversy of 1870, it is not probable that either party could have framed an issue worthy of submission to an impartial arbitration.

It may not be possible to control the tendency to civil

wars by any system of international arbitration. Treaties can only subsist between nations. In a controversy between a government and its discontented citizens or subjects, there cannot be equality of position, and to such cases arbitration is inapplicable. The government is on one side; on the other side there are insurgents only. In such a controversy a government can not allow an appeal to any other tribunal than its own authority.

It may happen, however, that a general system of arbitration may temper the policy of states in their dealings with disturbed colonies and restless classes. The abolition of slavery in the United States, and through the force of our example, was followed by the abolition of slavery in the colonies of Spain and in the empire of Brazil.

Of the causes for controversy between nations, those which are more likely to end in war ought to be within the jurisdiction of arbitration tribunals, whenever provision is made by treaty for the creation of such tribunals.

Ordinary matters of controversy, such as the adjustment of claims by citizens or subjects of one government against another government, will be settled by diplomatic processes that are now well understood and easily applied. These will be adjusted without the aid of international, permanent treaties.

In international treaties provision should be made for the adjustment of controversies which may arouse the sympathies and excite the passions of the masses, and so force the authorities into war even against their own judgment. Under arbitration treaties there will be, first of all, a period of delay, an assurance that the controversy will be adjusted in conformity to the treaty, and an entire freedom from business paralysis, which the possibility of war is certain to produce. It is probable that the closing years of this century may be made memorable by two international arbitration treaties.

Chili and Bolivia have formulated a protocol, which may ripen into a treaty, in which provision is made for the reference of all controversies to arbitration.

Of special importance to us, and of more importance to

a world in arms, is the treaty between the United States and Great Britain now pending in the Senate of the United States. As far as can be foreseen, the moral value of such a treaty will be its chief value. Questions of great magnitude may arise between the two countries, but the appearance of such questions is not probable.

The Alaskan boundary question will be disposed of by a special treaty, although it has been reported that a senator expressed the opinion that that question was of such gravity that it ought to be excepted from the jurisdiction of the arbitration treaty.

The seal fishery is the only other matter of disquiet. The arbitration treaty, when ratified, may aid the states of continental Europe in entering upon a policy of disarmament, and it may lead us to abandon the wild scheme of creating a navy that shall rival the navy of England, and for which there can be no use except in a war with England.

It may be asserted with confidence that the country is quite unanimous in the opinion that the opportunity now presented for a treaty of arbitration with England ought to be accepted, and that the merits of persons and parties should be referred to another generation.

Next, there must be a majority opinion on both sides of the Atlantic that the terms of the treaty should include the most important questions that can arise. The exclusion of specified questions or classes of questions is notice to the world that those questions are reserved for the arbitrament of war. The fact is not to be overlooked that in every case the ordinary diplomatic processes for adjustment must have been exhausted before a case is submitted to arbitration. Hence it must happen that when an excepted case of difference has failed of adjustment through such processes, then war is inevitable. Hence it must be that the exception of cases or classes of cases leaves the country and the world to the ills that are incident to a general apprehension that war is impending, and possibly to the losses and miseries that are incident to a condition of war.

The importance of an international treaty of arbitration is not in the fact that it provides for cases and classes of

cases that are likely to be adjusted by negotiation, or by amicable arbitrament, but that it includes cases in which the interests or passions of the parties are so much involved that an arrangement by them and between them has become impossible.

A conclusion reached by legal processes and in obedience to rules theretofore prescribed, will be accepted by England and America, even if the result should be disagreeable to the losing party — and in every controversy there must be a losing party. Our recent experience furnishes ground for this statement.

The supreme court made a decision that was adverse to the opinion of not less than a majority of the American people, but it was reached by a due course of action, and the result has been accepted by all except a few, who yielded to the impulse of the moment.

The President's message of Dec. 17, 1895, paralyzed the business of England and America, and in both countries there were serious and disturbing apprehensions that a controversy, in which the United States had only a sentimental interest, might involve the nations in war. The paralysis was arrested, and the apprehensions were allayed when the announcement was made that the question of boundary between Venezuela and British Guiana had been referred to arbitrators, and the reference was accepted without thought or care as to the loss or augmentation of territory by either party.

These instances are worthy of notice as illustrative of the deference that is paid to results reached by "due process of law." Herein is the great advantage to be gained from permanent arrangements for the settlement of controversies. In the presence of such arrangements the appearance of a new controversy will not give rise to any disturbance of business, nor to any anxiety in the public mind or on the part of public authorities.

Is the treaty now pending in the Senate so framed as to meet the questions that are likely to arise between the United States and Great Britain?

We are not to imagine possible differences, and espe-

cially we are not to conjecture that differences may arise over national and international changes which may never occur.

It may be assumed that neither England nor the United States will set up and press claims that are either manufactured or groundless. We must assume that the countries are acting in good faith, and we know that in each country there is a public sentiment that will rebuke any administration that enters upon a dishonorable course of conduct.

The treaty provides for three classes of cases, although as arranged in the treaty there appear to be four. Articles two and four provide for "pecuniary claims or groups of pecuniary claims." These are divided into two classes. In the first class are those which in the group do not in amount exceed £100,000, and in the second class are those which in the group exceed that sum.

These provisions include direct claims by one government against the other. Such claims, however, do not exist, and they are not likely to arise. These provisions are designed to provide for the adjustments of claims by citizens or subjects of one government against the other government. Usually the claimant government has no other purpose in view than the protection of its own citizens.

In 1880 a treaty was made with France by which claims of French citizens resident in the South during the rebellion, amounting in number to more than 700 and aggregating $35,000,000, were adjusted by a tribunal of three commissioners, one of whom was appointed by the United States, one by France, and the president of the commission was appointed by the Emperor of Brazil. More recently a similar treaty was made with Chili. The articles of the proposed treaty provide a standing rule for a course of action which is already the settled policy of the United States.

The fourth article of the treaty gives jurisdiction of another class of cases, which is set forth by the exclusion of pecuniary claims for which provision is otherwise made, and of territorial claims, which are placed under the control of Article 6.

The fourth article reads thus: "All pecuniary claims or groups of pecuniary claims which shall exceed £100,000 in amount and all other matters in difference, in respect of which either of the high contracting parties shall have rights against the other under treaty or otherwise, provided that such matters in difference do not involve the determination of territorial claims, shall be dealt with and decided by an arbitral tribunal, constituted as provided in the next following article."

I do not concern myself with the constitution of the tribunals. It has been my fortune to act as counsel before three international arbitration tribunals, and in each case I was fully convinced of the upright and intelligent performance of duty by the arbitrators.

Article 6 gives jurisdiction of "territorial claims" to a board of arbitrators, and to this there can be no objection, unless an objection should be made to rest upon the fact that the constitution of the board is such as to render a decision impossible, unless the weight of evidence should be so great as to extort a concurrent opinion from five arbitrators in a board composed of six persons.

It is declared in Article 9 that "territorial claims in this treaty shall include all claims to territory, and all claims involving questions of servitude, right of navigation and of access, fisheries, and all rights and interests necessary to the control and enjoyment of the territory claimed by either of the high contracting parties."

From this analysis I reach the conclusion that there can be no valid objection to so much of the treaty as relates to "pecuniary claims" and to "territorial claims," with the appurtenances thereto, as set forth in Article 9. The debatable phrases are found in Article 4, and it may not be safe to indulge in any predictions concerning their scope. For the moment I am persuaded that they are not dangerous phrases.

It is to be observed that the scope of the main phrase is self-limited. Consider the words used: "In respect of which either of the high contracting parties shall have rights against the other under treaty or otherwise."

The committee of the Senate on foreign relations seems

to have acted under the apprehension that by this language the Monroe doctrine would be brought within the jurisdiction of arbitrators.

With less adequate means for reaching a safe conclusion, it is the requirement of the position in which I am placed that I should give expression to my own views.

On a former occasion and in a different connection I made this remark when speaking of the Monroe doctrine: *We ought not to ask, nor ought we to accept, its recognition by any nation. The Monroe doctrine is not a law for anybody. It is a declaration of a public policy by and for the United States. We should not ask other nations to indorse it. We should not allow other nations to interpret it.*

England has not recognized the Monroe doctrine, and therefore she has no rights against us, derived or derivable from that doctrine. Nothing is granted in the pending treaty, and our rights to act under the Monroe doctrine will be what they now are, and what they have been since the year 1823.

If England had recognized and accepted the Monroe doctrine as the law of the two nations, the question arising under Article 4 of the treaty might have been open to a different interpretation.

The scope of arbitration, as set forth in the treaty, is in the affirmative, and therefore every subject-matter of arbitration is excluded which is not included, and therefore the proposed amendment seems to be either dangerous or unnecessary. This amendment has been proposed in the Senate:

"But no question which affects the foreign or domestic policy of either of the high contracting parties, or the relations of either to any other state or power, by treaty or otherwise, shall be a subject for arbitration under this treaty, except by special agreement."

If it is intended by this amendment to limit the affirmative propositions of the treaty, then some very grave questions may arise; but if, as is probable, it is designed to exclude matters not within the scope of the treaty, then the amendment is not necessary.

The phrase, "but no question which affects the foreign or domestic policy of either of the high contracting parties," may give rise to serious difficulties. It may, indeed, be said, and without resort to captious criticism, that many questions between nations "affect the foreign or domestic policy" of one party or the other.

At the present moment there is no question pending between the United States and Great Britain which can disturb the relations of the two countries, and no harm can come from such a period of delay as may be required for a full discussion of the treaty by the country, as well as by the Senate, the department of the government on which the responsibility now rests.

INTERNATIONAL BIMETALLISM.

Paper Read Before the American Academy of Arts and Sciences, March 10, 1897.

[*Boston Herald, March 11, 1897.*]

THE presidential election of 1896 has settled two important questions of public policy for the term of four years, and under circumstances which justify the conclusion that the policy embodied in the decision will not be abandoned until its wisdom has been tested by a more extended experience.

The questions were these: First, will the country return to the protective policy? and, secondly, will the country adhere to the gold standard as the basis of its financial system?

The canvass did not develop any considerable difference of opinion in the Republican party on the question of protection to American industries.

Although Mr. Bryan is a free trader, many of his supporters are friendly to the system of protection.

It is understood that Messrs. Jones, Teller, and Peffer are protectionists. Of those who supported Bryan in the North and West, there are many who are Republicans aside from their opinions upon the free coinage of silver.

Since the election several Democratic senators have indicated a purpose to permit the passage of a protective tariff bill, thus giving the country an opportunity to test the value of the promises that were made in the campaign by the Republican party.

Upon the known facts it is reasonable to assume that friendship for the protective system is not measured and limited by the magnitude of the vote given for Major McKinley, but that there is friendship or toleration for that system outside the Republican party.

It is to be admitted that the opinion of the country

has not been pronounced as definitely upon the gold standard; and it is also true that the issue was not made as distinctly. The declaration of the Republican party in support of the present financial policy was qualified by the declaration in favor of an international bimetallic system. The effect of such a bimetallic system upon the gold standard of the United States and of other countries cannot even be conjectured until the provisions of a system have been formulated; and final judgment must await the result of the experiment. On one point the issue was made with sufficient distinctness, and the result is not open to question.

An issue was made between the present gold standard and the free coinage of silver in the United States upon the ratio of 16 to 1, and a decision was rendered in favor of the gold standard. This decision rests chiefly upon the vote of the Republican party, but to that vote the vote given for Palmer and Buckner should be added.

Beyond this it is reasonable to assume that there was a body of voters in the Democratic party who followed the lead of the Chicago convention, and who were not in favor of the free coinage of silver by the United States acting alone and in defiance of the policy of other commercial nations.

The country has given judgment upon three questions, viz.:

1. The protective system has been sustained by a public opinion much in excess of the voting strength of the Republican party.

2. The proposition to enter upon the free coinage of silver has been rejected by the combined vote of the Republican party and the supporters of the national Democratic party.

3. The gold standard has been sustained, subject only to the contingency that a bimetallic system may be adopted by the commercial nations of Europe. In the absence of a bimetallic system the gold standard may be accepted as a permanent part of the financial policy of the country.

It is to be assumed that the administration will act in good faith and redeem the pledges made by the Republican party at St. Louis; and the friends of the bimetallic system should have all the aid that the government can give.

If agents are to be sent to Europe, if delegates are to be appointed to a convention, no one but well-known friends of the measure should be selected. If success waits upon their efforts, the credit will be theirs; and if the undertaking is destined to fail, there should be no ground for complaint.

It is evident that the next effort, whether successful or unsuccessful, will dispose of the scheme, nationally and internationally, for a term of years far beyond the life of the present administration.

It is also evident that more than a majority of the people of the United States are unwilling to abandon the use of silver; but it is true, as well, that they have no hope for its continued and increased use, except through the general coöperation of the commercial States. Hence, nothing less than an honest and an earnest effort to secure such coöperation will satisfy the public opinion. This much ought to be done, and this much will be done by the administration; but the friends of the undertaking should not be unmindful of the difficulties in the way of success.

First of all, they are to meet the apprehension, already widespread, that the downfall of silver as a currency is an inevitable event, and inevitable in a future not far remote.

To nations and communities not interested in silver mining the apprehension appears to be well founded. In 1865 the silver product of the world did not much exceed 35,000,000 ounces, but in 1894 it reached an aggregate of 167,000,000 ounces, a gain of 450 per cent and more in the period of 30 years. In 1878 silver bullion was worth $1.15 per ounce, against a present value of less than $0.65 per ounce. The enormous increase in the product is evidence conclusive that the market price has not yet reached the lowest point at which silver can be produced without loss to the miner. It follows that the work will go on until that point is reached and passed.

In another aspect of the case that apprehension becomes a most serious apprehension to nations that have accumulated masses of silver, and also to the silver mining interest.

With this experience as to the product of silver, coupled with the probability that the future will show a continuing and very considerable annual increase, it is natural that statesmen and financiers should anticipate a time not far distant, when silver will not be used as legal tender money. That event, whenever it happens, will be followed by the sale, or the fear of sale, of the immense accumulations of silver coin and silver bullion held by the banks and stored in the depositories of nations.

If this apprehension should take possession of the creditor nations of the world, England and France, they will decline to accept any system of international bimetallism, unless they can be convinced that the proposed system will be efficient and permanent.

What are the essential conditions of any system?

First, an agreed ratio between gold and silver coins.

In the way of an agreement there are two difficulties. An agreement upon any ratio implies the recoinage of all the silver coin now in use, unless the ratio existing in the United States, or the ratio existing in the states of the Latin Union, should be accepted. Neither the 5-franc piece of France nor the dollar of the United States can be rated in gold at more than 50 per cent of its nominal value.

If either ratio should be accepted, would silver bullion advance to $1.29 per ounce, or, for the purposes of the conference, would the delegates and the nations represented venture upon the experiment of doubling the value of a commodity for whose production there is no known limit?

The alternative appears to be this: An agreement upon a ratio approximating to, or based upon, the present relative value of gold and silver bullion.

If the convention should be carried to this point and an agreement as to the ratio should be secured, a practical difficulty, an obstacle indeed, would be presented to the

convention and to the nations represented. The coinage of the bullion in the possession of the governments interested in the question, and the recoinage of the silver money in circulation, upon any ratio, whether 16 to 1 or 30 to 1, would be the work of many years. The silver coin in the United States and the bullion in the treasury are sufficient for the coinage of three hundred million dollar pieces upon the ratio of 30 to 1. Upon any ratio between 16 to 1 and 30 to 1 the required coinage would find a place, based on the ratio, but somewhere between three hundred and six hundred million pieces.

When provision has been made for the coinage of gold and the coinage of subsidiary coins, the capacity of the mints of the United States does not exceed 50,000,000 pieces annually.

Thus, upon a ratio of 30 to 1 not less than six years would be required for the recoinage of the coin and the coinage of the bullion of the United States into the new coin. Should the ratio be made more favorable to silver, the time required for the completion of the work would be extended proportionately.

We know that France, Germany, and the states of the Latin Union are in possession of large quantities of silver, and a like delay and expense would attend the change in those countries.

This aspect of the case need not be pressed further, but it is manifest that during a period of time, to be measured by years, the mints of the world would be closed against all new product of silver, and that the miners would be compelled to put their commodity upon the market as merchandise and without any hope of an early opportunity to convert it into coin.

The conference will be called to meet this question: What system of bimetallism shall be adopted? At the Brussels conference, Baron Rothschild, of the British delegation, submitted a project which embodies a plan to which attention may be again directed, should the nations engage in another conference.

The annual product of silver in ounces was to be

assumed, and after an allotment for use in the arts, the remainder was to be divided among the treaty nations upon a percentage as might be agreed. Thus provision would be made for the disposal of the silver product, but its use as coin would depend upon the policy of the respective states. This plan omits the essential quality of an international bimetallic system — a coin of uniform value, and to be accepted as legal tender in all the countries composing the Union, unless, indeed, the chief or only object of a bimetallic system is to furnish a market for the product of the silver mines. An international bimetallic system should contemplate the use of silver and gold, upon an agreed ratio of value, and in all the commercial nations of the world. Except as furnishing a market for silver, the value of the system must be in this: That an American debt due in England or France may be paid in American silver coin, and that without inquiry as to the relative value of silver and gold bullion in the public markets of London and New York. This system is the alternative system to that proposed by Mr. Rothschild.

Is a third scheme possible? I know of none but this, viz.: An agreement as to the ratio, upon an understanding that the coins are to be a legal tender only in the countries of their origin.

The worthlessness of this scheme may be realized from a statement in a single sentence.

It is of no consequence to the United States that its silver coins correspond in their gold value to the coins of England and France, unless the coins of the United States are current in England and France at their nominal value. Such coins will not be so received unless they are endowed with the legal tender quality. Indeed, the only consideration that could lead any country to meet the cost of recoining its silver would be in the added value due to its legal tender quality. Of what advantage can it be to the citizen to know that the silver coins of the United States bear the same ratio to gold as the silver coins of England and France, if the coins cannot be used in those countries except as bullion in the market? The silver coins of the United States possess that value, and that value they will retain without treaty aid.

Hence, it is a waste of time, effort, and money for any nation to recoin its silver currency if, after its recoinage, it can be used only in the country of its origin.

If these observations are accepted one conclusion must follow, viz.: That a system of international bimetallism will be valueless which does not declare that the coins of each country shall be accepted at their nominal value in all the countries that are parties to the treaty.

It is the necessary condition of any treaty for an international bimetallic system that it should terminate at a fixed period, and that not very remote, probably, or that it should provide that any one of the signatory powers may withdraw from the alliance either upon notice or without notice. It cannot be assumed that any arrangement will be permanent, nor can it be assumed that the parties will enter into an agreement that shall be operative beyond a term of years.

The members of the conference may be called to consider three important questions, viz.: First, whether it is practicable to establish a coinage ratio between silver and gold that shall be permanent or continuous for a period of years. Second, if such an arrangement should seem practicable, by what machinery shall the object be accomplished? Finally, what will be the condition of the respective countries when the arrangement shall have come to an end? It is known, as matter of statistical history, that for 200 years silver and gold have not preserved a ratio to each other for a period of three years, and that that was true when the mints of all countries were free for the coinage of both metals on equal terms.

Is it not, then, certain, certain beyond reasonable ground for doubt, that under any system the bullion price of the two metals will change, by the appreciation of one metal or the depreciation of the other, and, consequently, that all debts, public and private, will be paid in the least valuable coin?

It must happen that the conference, in the progress of negotiations, will look to the termination of the treaty and the condition of the parties to it. One conclusion will be reached, viz.: that the creditor classes and the creditor

states will be the holders of undue shares of the depreciated coin. The creditor states are England and France. Speaking generally, neither of those states nor the inhabitants of those states are indebted to the outside world. Will those states enter into any agreement which in its nature is temporary, and which at the end will leave them in possession of a large amount of overvalued coin?

A final question I leave unanswered, except inferentially. If the conference should agree upon a system which shall provide for an international silver dollar upon a ratio less favorable to silver than 16 to 1, shall the government of the United States bear the loss incident to the recoinage of 445,000,000 dollar pieces?

I do not speak of the expenses of the mints for the recoinage of four hundred and forty-five million (445,000,000) dollar pieces, the number now in existence in the country, although those expenses would run into the millions; but I speak rather of the loss in nominal value incident to the transformation of two silver dollars of 412½ grains each into one dollar weighing 825 grains.

The recoinage of this immense number of dollar pieces involves a loss of more than $200,000,000, and the question of importance is this: "By whom shall this loss be borne? Shall the government redeem silver dollars at their nominal value, recoin them at the cost of the treasury, and reissue them upon a new valuation based upon the then existing relative value of gold and silver bullion? Or will the government deprive silver dollars of their legal tender quality, and thus throw the loss upon individuals and institutions that may be the holders of the coins? Manifestly the latter course is impossible. One consideration is an adequate test. In a day, in an hour, the volume of currency would be reduced $200,000,000, to be followed by panic and insolvency as extensive as the limits of the commercial world.

There is but one course open and no alternative. The recoinage must be at the cost of the government. The old coin must be redeemed in gold at its nominal value, and the difference between its bullion value and the bullion value of the new coin must be borne by the government.

In like manner the burden of recoinage would fall upon England, Germany, and the states of the Latin Union.

The final questions, either stated already or deducible from what has been said, are these:

Is there any probability that the governments named, or any one of them, will undertake the recoinage of the silver in circulation upon the basis of the bullion value of silver? Or is there any probability that the governments, outside of the United States and the Latin Union, will undertake the recoinage of silver upon the basis of 15.5 or 16 to 1, and upon the idea that silver bullion could be advanced thereby 100 per cent in the markets of the world?

Will the commercial nations agree to accept, interchangeably, and as legal tender money, the silver coins of each other upon any ratio of value between silver and gold?

Can any advantage accrue to any nation from an agreement as to the relation of silver coins to gold coins, unless the silver coins are made a legal tender in all the countries that are parties to the treaty?

At the end will not nations and the representatives of nations consider this question?

If the depreciation of silver shall continue, is not a time indicated when its further use as currency must come to an end, and will not the nations and the representatives of nations be guided in some degree by their apprehensions, even if such a catastrophe should appear to be only a possible event?

If the downfall of silver, as a legal tender currency, is an event of the future, certain and not remote, that event, when it shall have become historical, will be treated as a fortunate event.

For centuries the nations have been engaged in a vain effort to establish and maintain a ratio between gold and silver coins. It is not improbable that in these four years, which mark the close of the nineteenth century, the struggle will have come to an end.

The recognition of gold as the standard of value in all commercial nations is a consummation to be hoped for and to be accepted without delay or complaint.